

The SGX logo consists of the letters "SGX" in a bold, dark blue sans-serif font, followed by a stylized graphic of three horizontal bars in blue and yellow.

## News Release

11 October 2019

### SGX reports market statistics for September 2019

- Risk-management demand drives strong July-September quarter for commodities, FX
- Singapore securities market turnover increases year-on-year

Singapore Exchange (SGX) today released its market statistics for September 2019. International investors were able to manage risk across multiple Asia-centric asset classes on the exchange, driving strong year-on-year (y-o-y) futures volume growth in iron ore, renminbi as well as Emerging Asia equities. Singapore securities market turnover increased amid mixed returns across Asian equity markets.

#### Managing Risks in Commodities, FX

Global commodity markets continued to be buffeted by price volatility in September, fuelling demand for risk management. Iron ore derivatives volume surged 98% y-o-y to 1.57 million contracts in September on the back of increased hedging by financial and physical market participants, ahead of a weeklong holiday in China that began on 1 October. For the July-September quarter, SGX's benchmark derivatives for iron ore – a commodity that serves as a barometer of Asia's economic growth – rose 98% y-o-y to 5.85 million contracts.

SGX petrochemicals futures volume climbed 53% y-o-y in September, as the broader oil complex gained following a geopolitical flashpoint in Saudi Arabia that prompted the biggest single-day rally in crude prices in about 30 years. During the month, both monthly and quarterly electricity futures contracts also set new record volumes on the exchange.

In the foreign exchange (FX) market, SGX USD/CNH futures volume jumped 74% y-o-y to 818,619 contracts in September amid signs of progress in U.S.-China trade negotiations, following the deferment of some tariffs. Institutional demand to risk-manage portfolio exposure to the Indian rupee, another key Emerging Asia currency, drove a 23% y-o-y gain in SGX INR/USD futures volume to 1.41 million contracts during the month. For the July-September quarter, aggregate FX trading volume rose to US\$383 billion – a record high that strengthens SGX's leading position in Asian FX futures.

#### Concerns over global economic growth

Further interest rate cuts by the U.S. Federal Reserve, alongside persistent uncertainties over Britain's exit from the European Union ahead of an agreed 31 October deadline, fanned concerns over global growth, with slower equity market activity in September.

Trading volumes across SGX's suite of equity derivatives reflected mixed investor sentiment on the back of ongoing U.S.-China trade developments. Total equity index futures volume was down 5% y-o-y at 14.2 million contracts in September, as FTSE China A50 futures volume slid. However, the volume of MSCI Taiwan, MSCI Singapore, Nikkei 225 and Nifty 50 contracts increased. For the July-September quarter, total equity futures volume climbed 4% y-o-y to 44.4 million contracts.

In Singapore, total securities market turnover increased 2% y-o-y to S\$19.7 billion in September, while securities daily average value (SDAV) was down 3% y-o-y at S\$940 million. The benchmark Straits Times Index (STI) generated total returns of +0.5% during the month, against declines in most Southeast Asian markets. The top 10 dividend-yielding STI stocks averaged +4.5% price returns year-to-date compared with the STI's +1.7%. Utilities, banks and real estate excluding REITs were the top-performing sectors for the month.

REITs continued to post positive returns, with about S\$327 million of net inflows from institutional investors over the first nine months of 2019. The sector generated 24.2% total returns in the January-September period. For September, key index inclusions for three REITs – Mapletree Commercial Trust in the STI, and both Frasers Centrepoint Trust and Keppel DC REIT in the FTSE EPRA/NAREIT Global Real Estate Index Series – contributed to trading turnover.

SGX-listed companies continued to tap the equity capital markets with secondary fundraising of S\$2.5 billion in September, compared with S\$0.87 billion a year ago. For the July-September quarter, the tally climbed to S\$3.4 billion, up from S\$1.1 billion during the same period last year.

There were several bond listing highlights in September, reinforcing SGX's position as Asia's largest debt securities platform. RIZAL Commercial Banking Corp. issued US\$300 million in the exchange's first U.S. dollar sustainability bonds from the Philippines; Agricultural Bank of China Ltd. Singapore Branch issued US\$500 million in its debut bond; while Orient Securities issued S\$200 million in its inaugural Singapore dollar bonds.

The full report can be found [here](#).

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### **About Singapore Exchange**

Singapore Exchange is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore.

SGX is the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit [www.sgx.com](http://www.sgx.com).

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